



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 4, 2008

John Driscoll, Vice President/Comptroller
General Atomics
3550 General Atomics Court
San Diego, CA 92121

Dear Mr. Driscoll:

RE: FINAL MONITORING VISIT REPORT for General Atomics – ET07-0163

Date of the Visit:	08/01/08
Beginning/Ending Time of Visit:	9:30 a.m. – 10:15 a.m.
Date of Last Visit:	04/22/08
Visit Location:	Via Teleconference
Persons in attendance:	Donna Oellien, Sr. Programmer/Analyst; and Krista Campion, Contract Analyst, Employment Training Panel
Action Required:	No

CONTRACT INFORMATION

Term of Agreement:	9/25/06 – 9/24/08	Agreement Amount:	\$221,400
Training Start Date:	10/02/06	No. to Retain:	300
Date Training must be Completed:	06/24/08	Range of Hours:	24 – 100
Type of Trainee:	Retrainee	Weighted Ave. Hours:	41

*ACTION ITEMS REMAINING
FROM THE PRIOR VISIT:*

None

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SACRAMENTO, CA 95814
(916) 327-5640

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www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY

- **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 11/01/06. Ms. Oellien confirmed that training commenced on this project on 10/02/06 and the last day of ETP training was 6/18/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 9/24/08.

There were no Modifications or Amendments processed during the term of this Agreement.

- **INTERVIEW WITH DONNA OELLIEN, SR. PROGRAMMER / ANALYST, GENERAL ATOMICS**

General Atomics manufactures, operates, and services unmanned aerial vehicles, and provides information technologies for government and other industries. This project was primarily designed to provide SAP – Computer Skills training for frontline staff. Ms. Oellien reported that, although General Atomics will not earn reimbursement for the maximum ETP Agreement amount, the ETP training was effective and beneficial to the company.

She stated that the SAP training was beneficial because it upgraded the job skills of many workers by providing them with tools/techniques for navigating and using the company's new SAP financial system. Ms. Oellien reported that without the training the employees would not have been able to effectively do their jobs. Ms. Oellien also reported that the Computer Skills – AT training provided General Atomics' IT staff with new skills in systems, programming, and servers to support the new SAP system.

According to Ms. Oellien, the majority of the retrainees enrolled in the project did not complete the minimum number of hours to qualify for reimbursement and will be dropped (see project status on page 3 of this report). These retrainees needed fewer hours of training than what was originally planned during the development of the Agreement in August 2006.

Ms. Oellien stated that the ETP on-line forms and class/lab tracking systems were helpful and "user friendly".

CLOSEOUT INVOICE

Ms. Campion advised your staff that the closeout invoice should be submitted to the ETP Fiscal Unit in Sacramento no later than 30 days after the end term date of the Agreement or 10/24/08. Ms. Oellien reported that she plans to submit the closeout invoice on by the end of September 2008.

PROJECT STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	923
Enrolled:	1,315
Dropped Following Enrollment:	*136
Completed Minimum Training Hours:	104
Completed Training:	104
Completed Retention:	50

*There are (an additional) 1,075 retrainees to be dropped in this project and Ms. Oellien agreed to submit all appropriate drops in the Agreement prior to submitting the closeout invoice.

PROJECTED EARNINGS / NUMBER TO RETAIN

You confirmed that 104 retrainees (35 percent of planned trainees) have completed the minimum number of hours to qualify for reimbursement, which is consistent with the information in the ETP class/lab tracking system. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (100) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The 104 retrainees referenced above have completed from 24 to 87 hours of class/lab or AT training, for a grand total of 3,999 hours of training. This equates to a potential reimbursement of \$79,082, assuming that all Agreement performance requirements are met. This amount is approximately 36 percent of the Agreement amount and more than the current encumbered amount. To date, General Atomics has yet to be reimbursed for any progress or final payments.

AUDIT

General Atomics will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at kcampion@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Carole Robinson for Diana Torres, Manager
San Diego Regional Office



Krista Campion, Contract Analyst
San Diego Regional Office

cc: Donna Oellien, Sr. Programmer/Analyst, General Atomics
Kulbir Mayall, Manager, Fiscal & Certification, ETP
Master File
Project File